

**ASSEMBLY BILL**

**No. 570**

**Introduced by Assembly Member Chu**

February 18, 2003

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An act to amend Section 2675.5 of the Labor Code, relating to garment manufacturers, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 570, as introduced, Chu. Garment manufacturers: fees.

Existing law requires every person engaged in the business of garment manufacturing to register with the Labor Commissioner. Existing law further requires the Labor Commissioner to deposit \$75 of each registered garment manufacturer's registration fee into a separate account and provides that the funds in the separate account shall be disbursed by the commissioner to persons damaged by the failure of a garment manufacturer, jobber, contractor, or subcontractor, after exhausting any applicable bond, to pay wages or benefits.

This bill would authorize the commissioner to distribute the full amount of the funds annually deposited into the separate account to garment workers to pay unpaid wages, benefits, unreimbursed expenses, interest, penalties, or other monetary damages or relief awarded to the garment workers as a result of violations of Industrial Welfare Commission orders or the Labor Code. By authorizing the continuous expenditure of the funds in the account for new purposes, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2675.5 of the Labor Code is amended  
2 to read:

3 2675.5. (a) The commissioner shall deposit seventy-five  
4 dollars (\$75) of each registrant's annual registration fee, required  
5 pursuant to paragraph (5) of subdivision (a) of Section 2675, into  
6 one separate account. *The full amount of the funds deposited*  
7 *annually is continuously appropriated for distribution by the*  
8 *commissioner to eligible claimants.* Funds from the separate  
9 account shall be disbursed by the commissioner ~~only~~ to persons  
10 determined by the commissioner to have been damaged by the  
11 ~~failure of any garment manufacturer, jobber, contractor, or~~  
12 ~~subcontractor to pay wages—and, benefits—by any garment~~  
13 ~~manufacturer, jobber, contractor, or subcontractor, and other~~  
14 ~~moneys owed after exhausting a bond, if any, to ensure the payment~~  
15 ~~of wages and benefits posted by the garment manufacturer, jobber,~~  
16 ~~contractor, or subcontractor.~~ *Funds may be disbursed to pay*  
17 *unpaid wages, benefits, unreimbursed expenses, interest,*  
18 *penalties, and all other damages arising from the violation of*  
19 *orders of the Industrial Welfare Commission, and for any other*  
20 *monetary relief awarded to a garment worker as a result of a*  
21 *violation of this code.* Any disbursed funds subsequently  
22 recovered by the commissioner shall be returned to the separate  
23 account.

24 (b) The remainder of each registrant's annual registration fee  
25 not deposited into the special account pursuant to subdivision (a)  
26 shall be deposited in a subaccount and applied to costs incurred by  
27 the commissioner in administering the provisions of Section  
28 2673.1, Section 2675, and this section, upon appropriation by the  
29 Legislature.

